



# UDIA State of The Land 2020

GCC Residential Greenfield and Multi-Unit Market Study

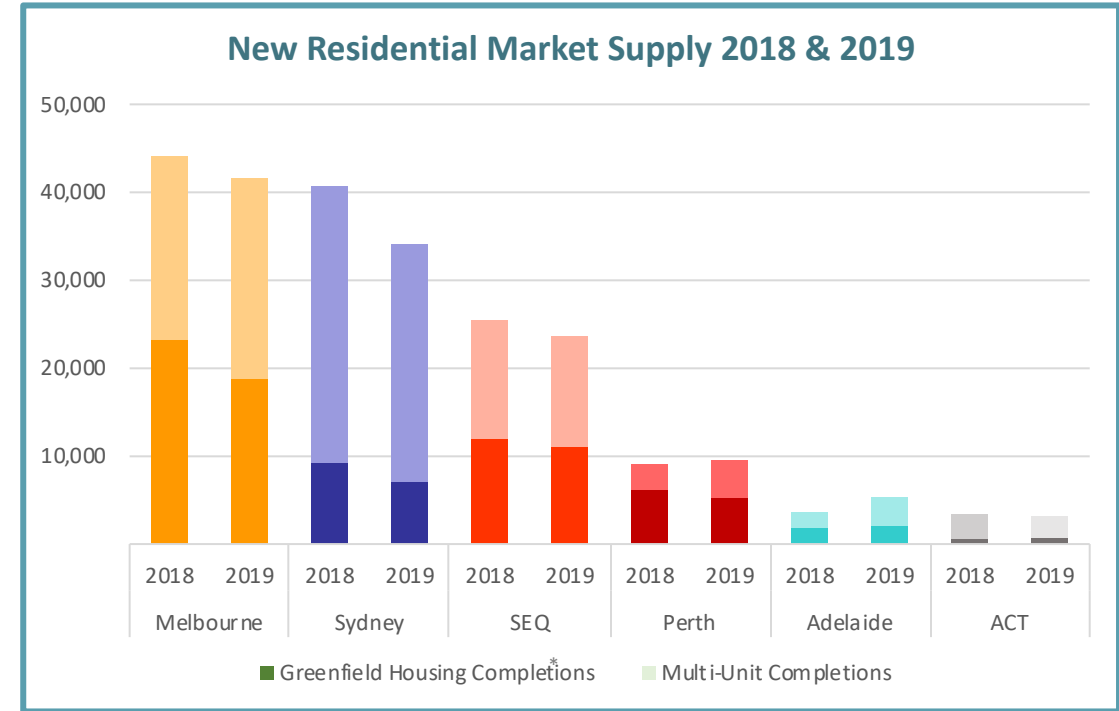
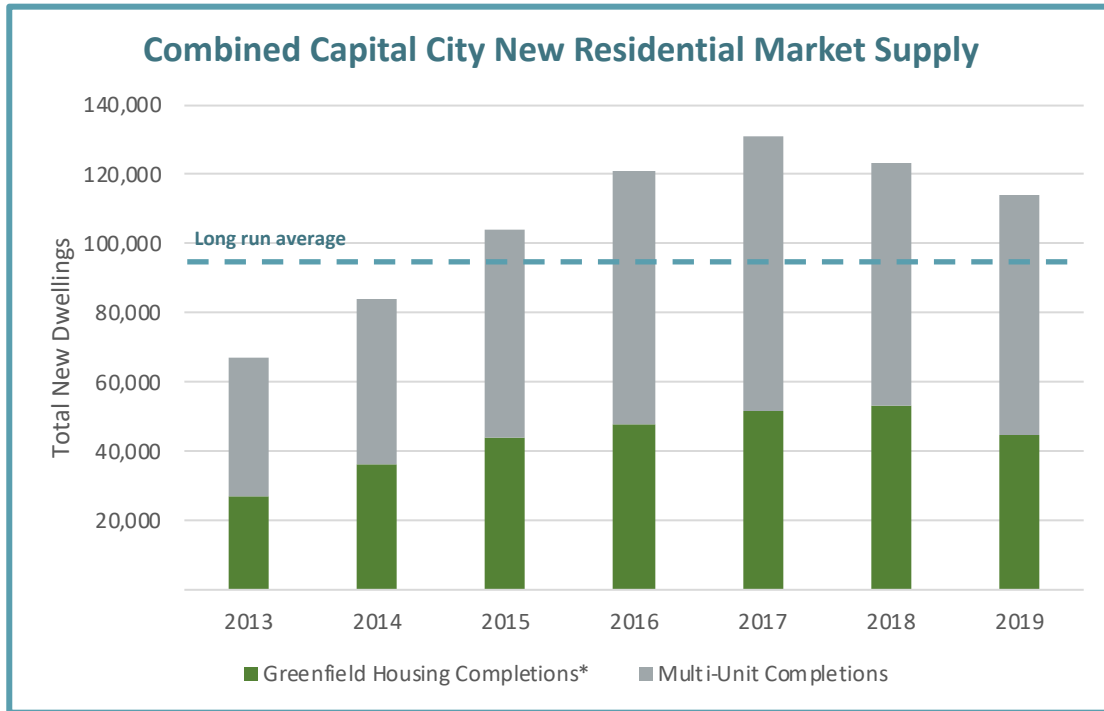
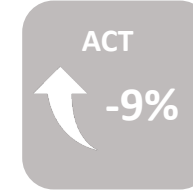
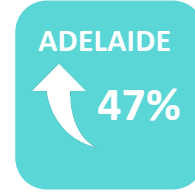
Head-Line Stats Pack

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Source: UDIA State of the Land (2019); CoreLogic; Research4

\*UDIA Estimates

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\*UDIA Estimates

- National residential supply contraction driven by Eastern Seaboard output reductions.

**Change Total Greenfield Sales ('18 to '19)**

**SYDNEY**  
- 25%

**MELBOURNE**  
- 48%

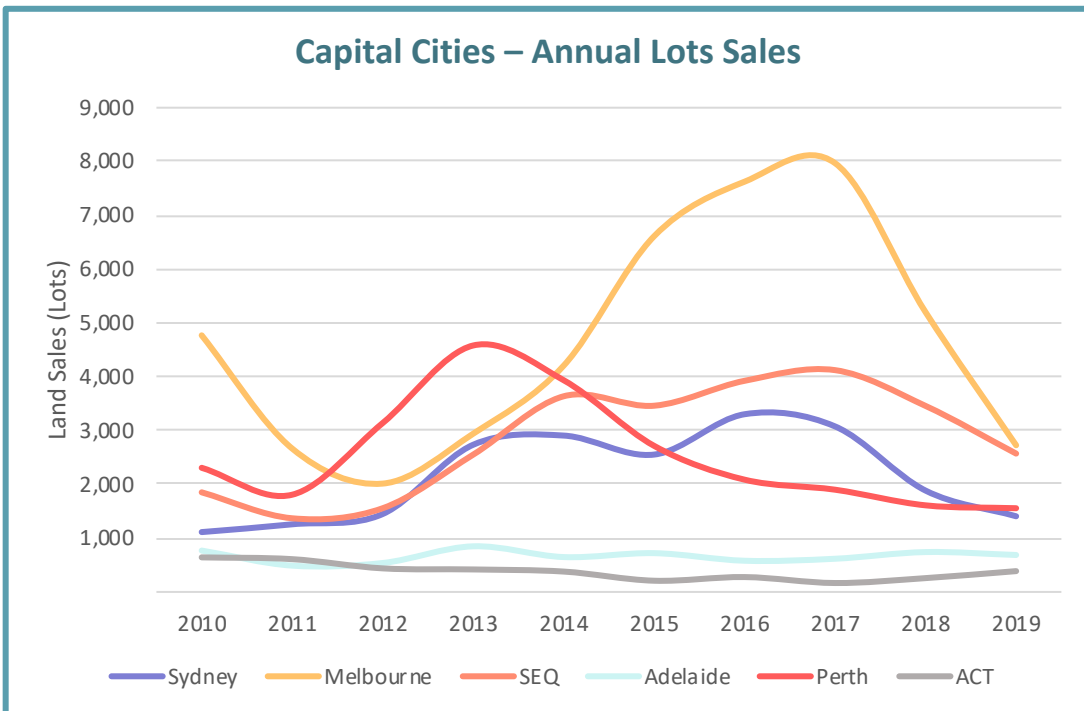
**SEQ**  
- 26%

**ADELAIDE**  
- 7%

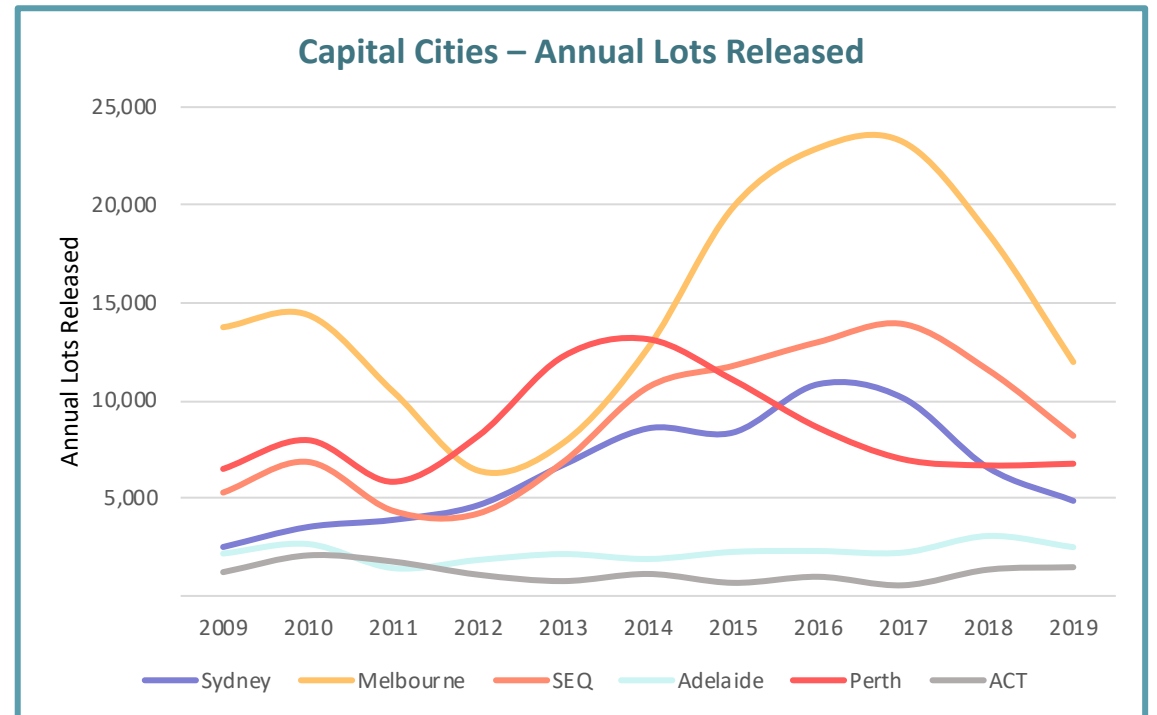
**PERTH**  
- 3%

**ACT**  
51%

**COMBINED GCC**  
- 29%

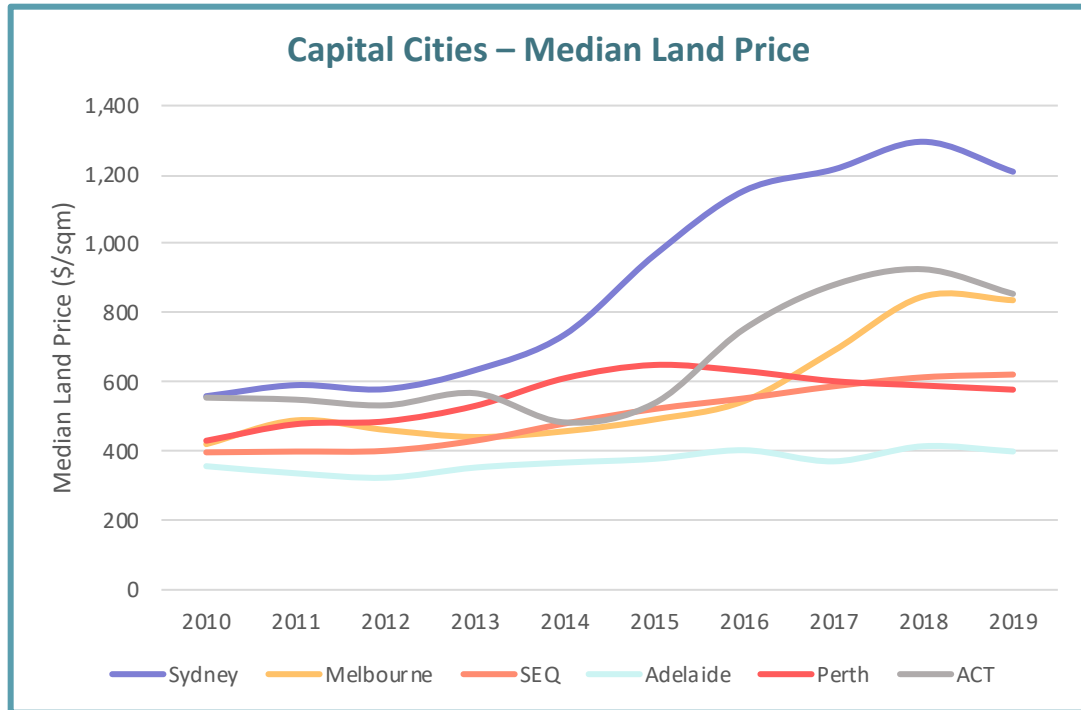
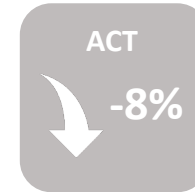


Source: UDIA State of the Land (2019); Research4

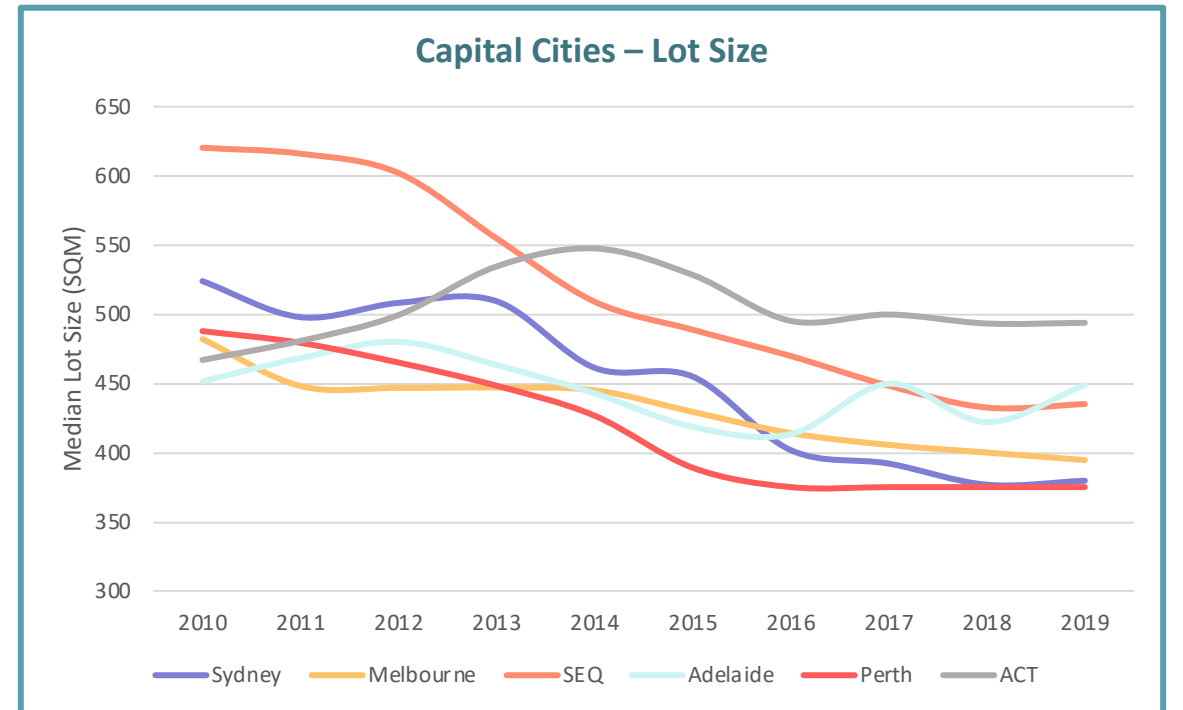


Source: UDIA State of the Land (2019); Research4

- Greenfield lot sales contracted sharply for the second year in a row.
- Developers responded to soft market conditions with far fewer releases in the first half 2019.



Source: UDIA State of the Land (2019); Research4



Source: UDIA State of the Land (2019); Research4

- Lot sizes remained relatively stable across the capital cities in 2019, breaking the historic downward trend identified in previous reports.
- Declining lot prices and increased lot sizes lead to a slight decrease in land price (\$/sqm).



**Change in Median New Unit Price ('18 to '19)**

**SYDNEY**  
- 4%

**MELBOURNE**  
7%

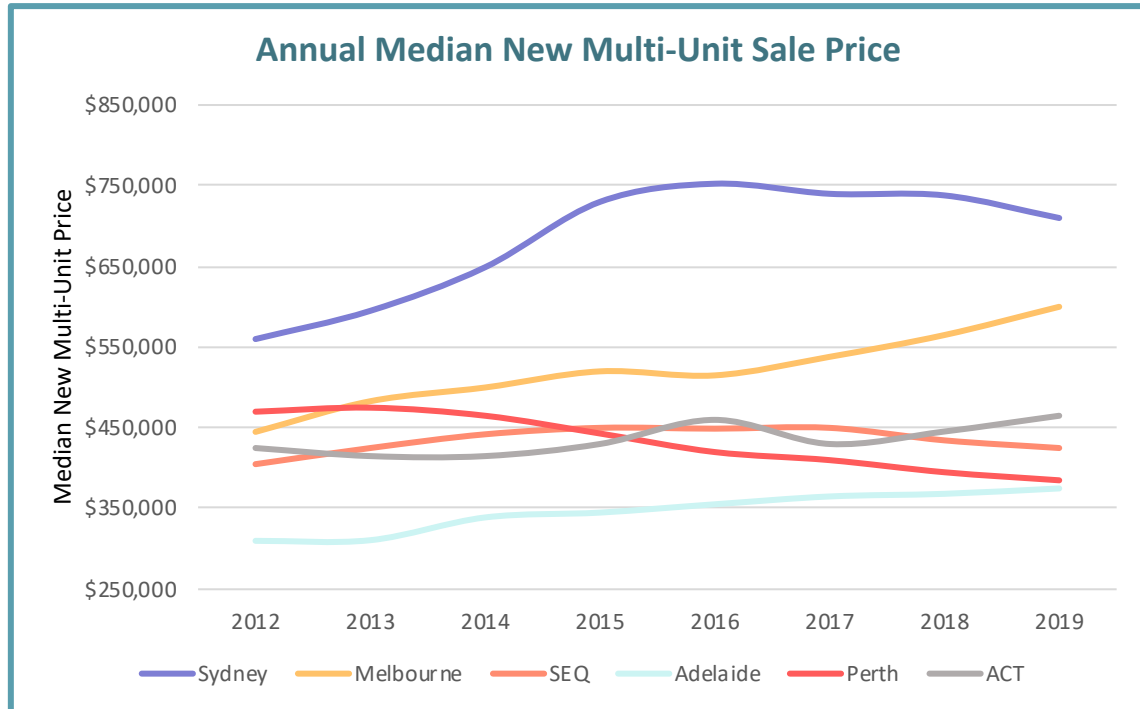
**SEQ**  
2%

**ADELAIDE**  
0%

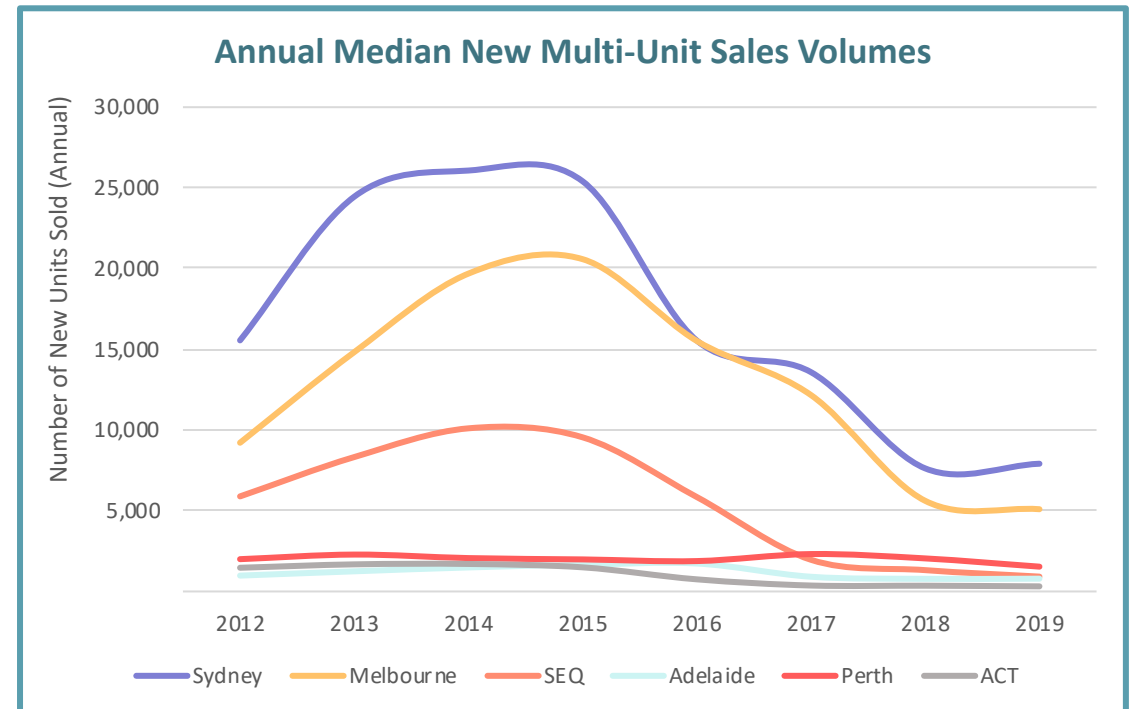
**PERTH**  
- 3%

**ACT**  
6%

**COMBINED GCC**  
1%



Source: UDIA State of the Land (2019); CoreLogic



Source: UDIA State of the Land (2019); CoreLogic

- Settled apartment sales volumes fell in the first half of the year, recovering in the second half to end the year down just 7% (combined capital cities).
- Combined capital cities median pricing edged up marginally over the year.

**Change in Unit Completions ('18 to '19)**

**SYDNEY**  
- 14%

**MELBOURNE**  
9%

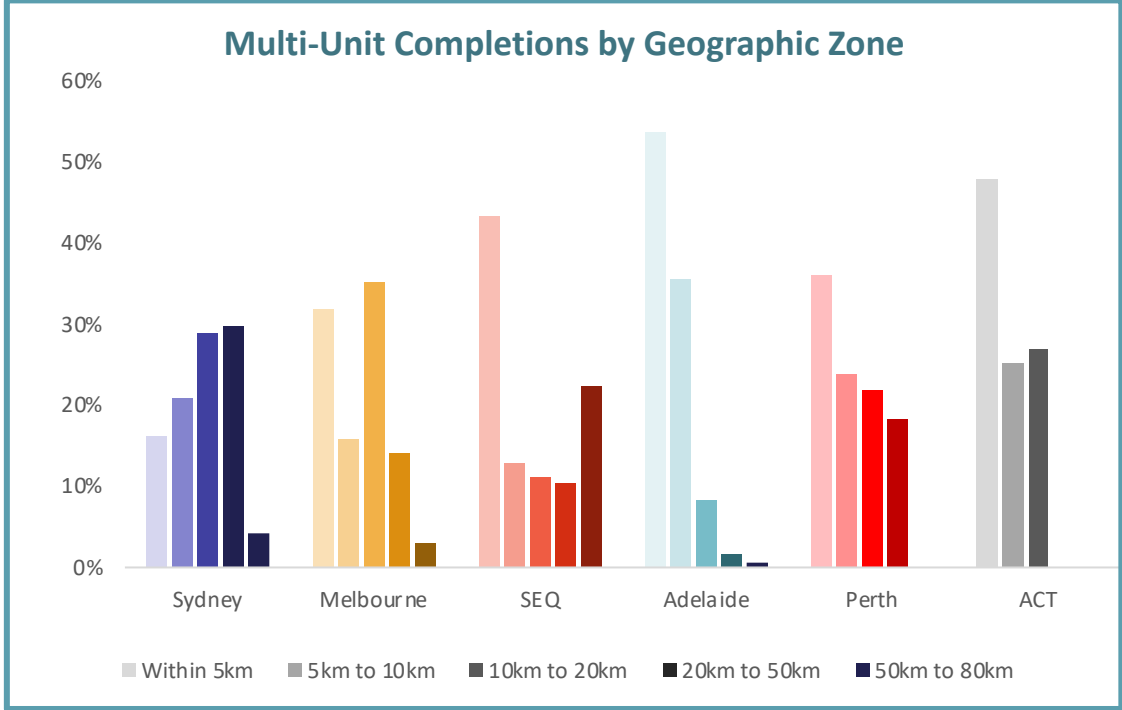
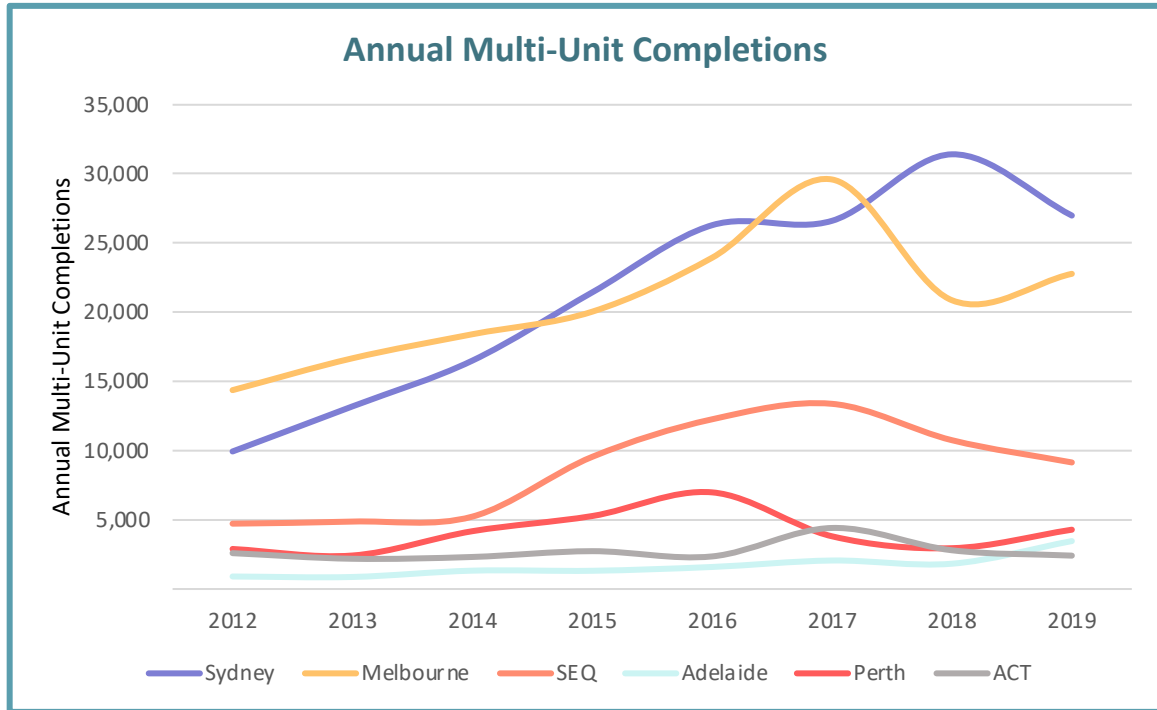
**SEQ**  
- 7%

**ADELAIDE**  
86%

**PERTH**  
45%

**ACT**  
-14%

**COMBINED GCC**  
-2%



Source: UDIA State of the Land (2019); CoreLogic

Source: UDIA State of the Land (2019); CoreLogic

- Annual multi-unit completions were the lowest since 2015, although still 16% above the long run average.
- Sydney, the largest multi-unit market, recorded a completions decline for the first time in 10 years.

**Change in Active Supply: U/C, Approved and Early Planning (18' to 19')**

**SYDNEY**  
- 1%

**MELBOURNE**  
- 20%

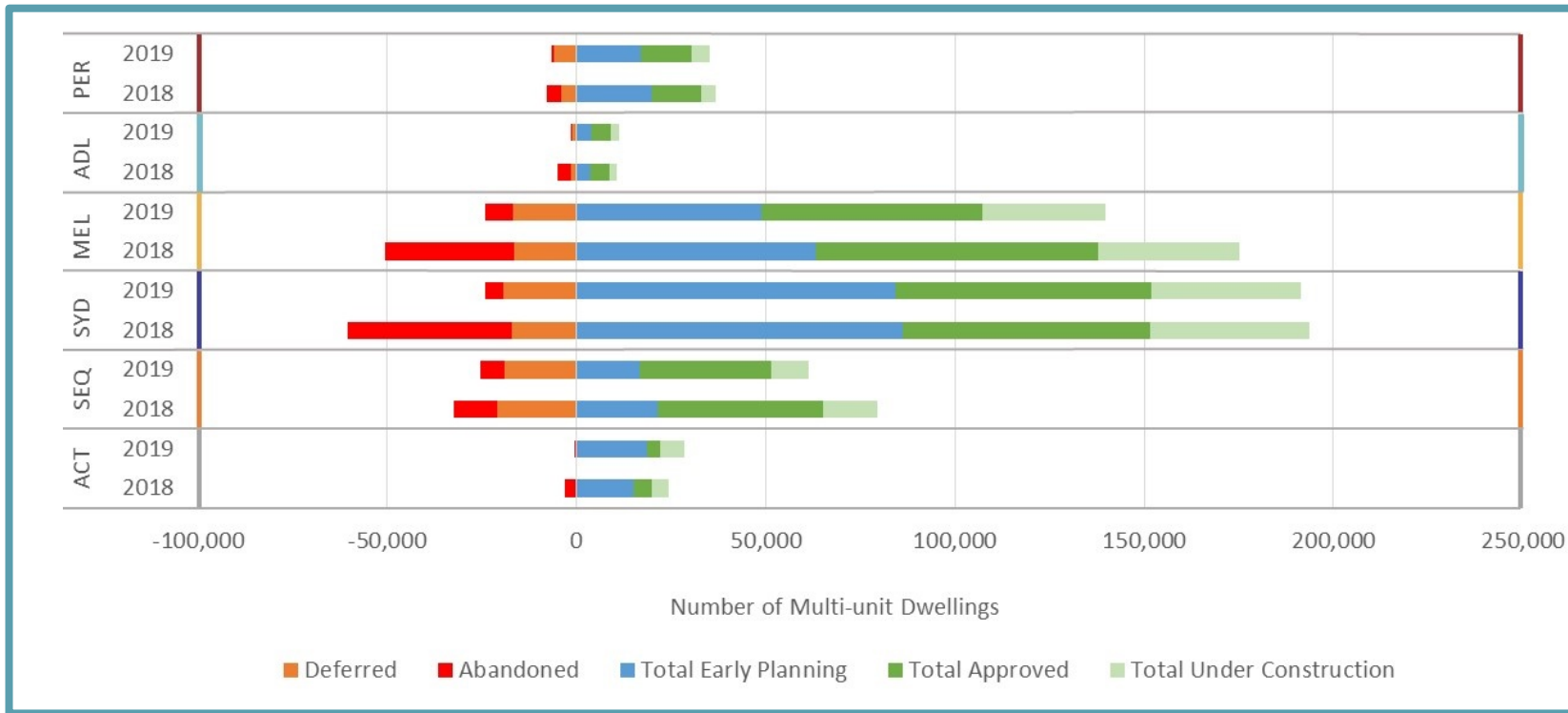
**SEQ**  
- 23%

**ADELAIDE**  
4%

**PERTH**  
- 4%

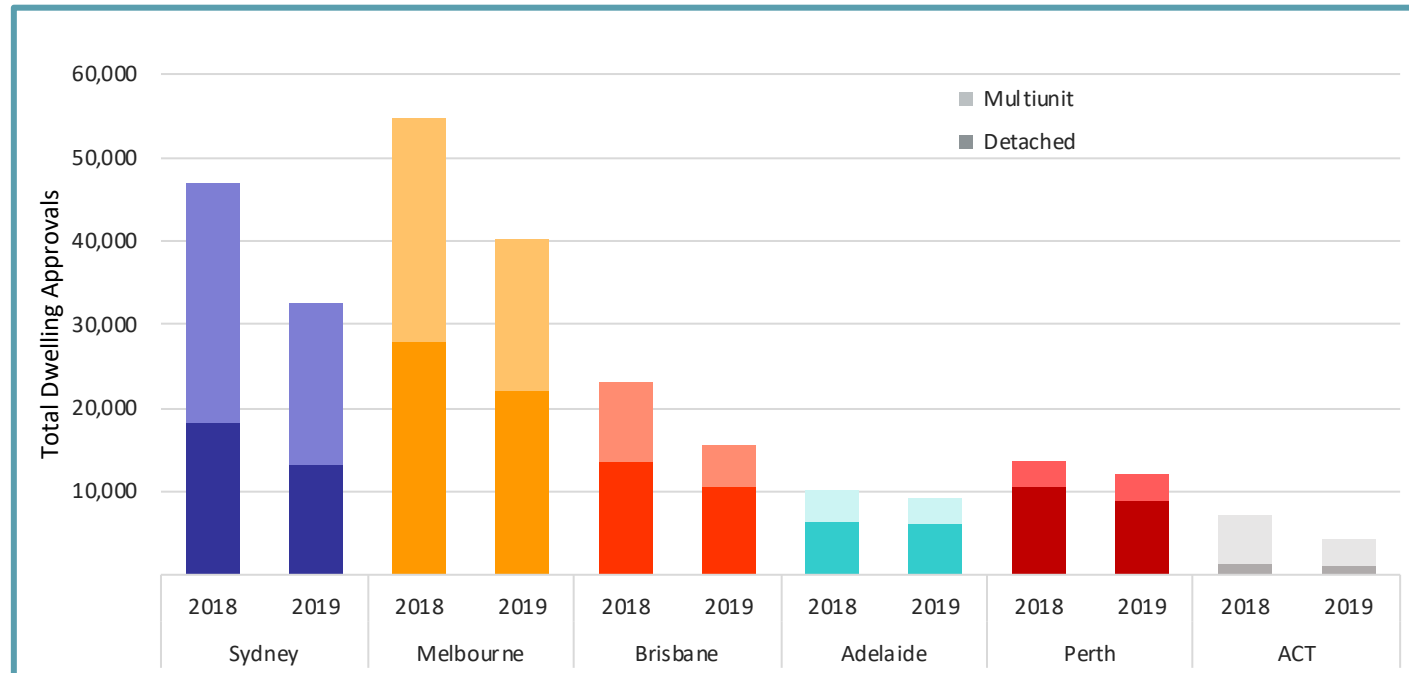
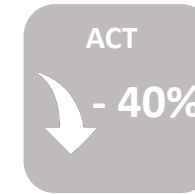
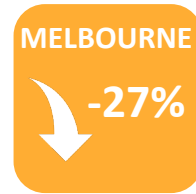
**ACT**  
16%

**COMBINED GCC**  
- 10%



Source: UDIA State of the Land (2019); CoreLogic

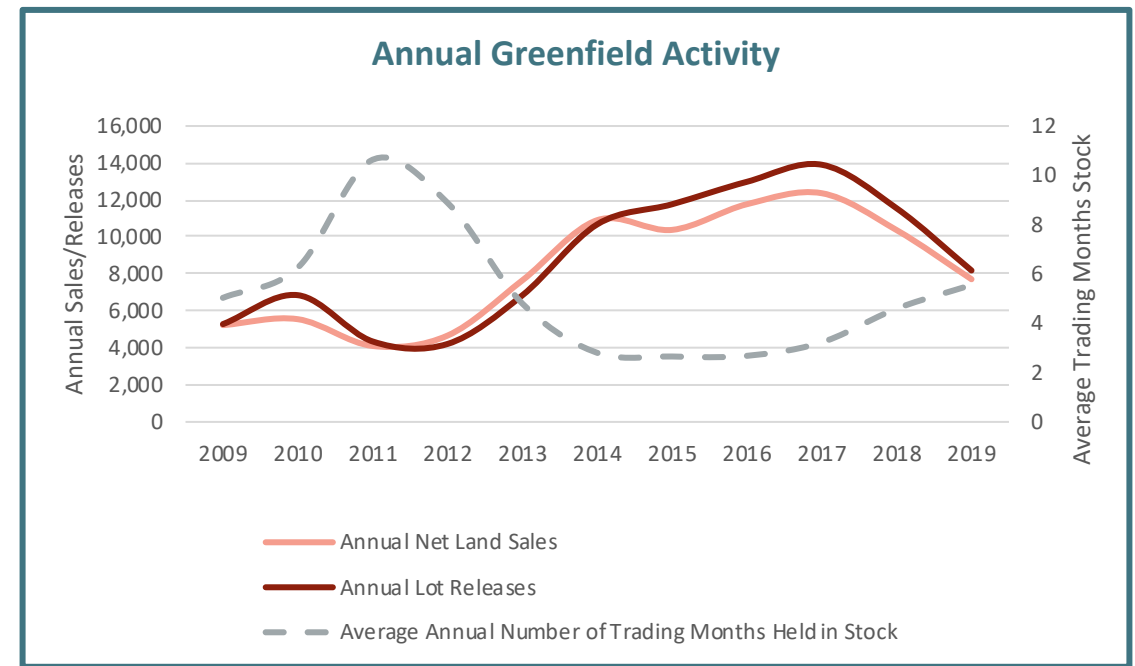
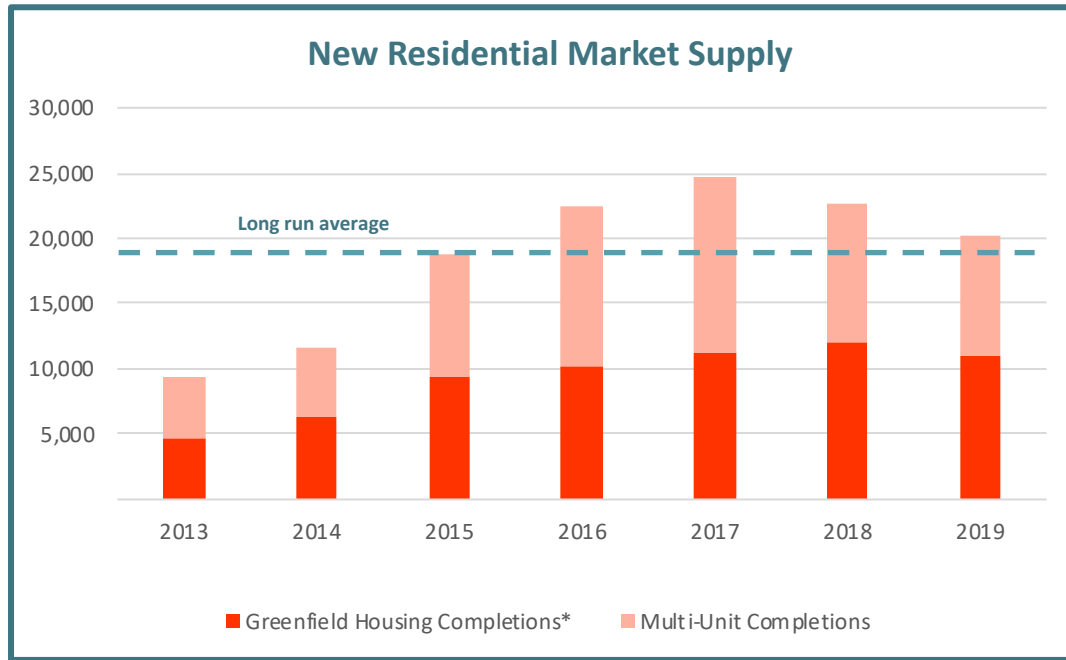
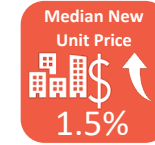
- At December 2019, there was a combined capital city apartment yield of 91,530 units under construction, with 43% of this stock in Sydney and 36% in Melbourne.



Source: UDIA State of the Land (2019); ABS

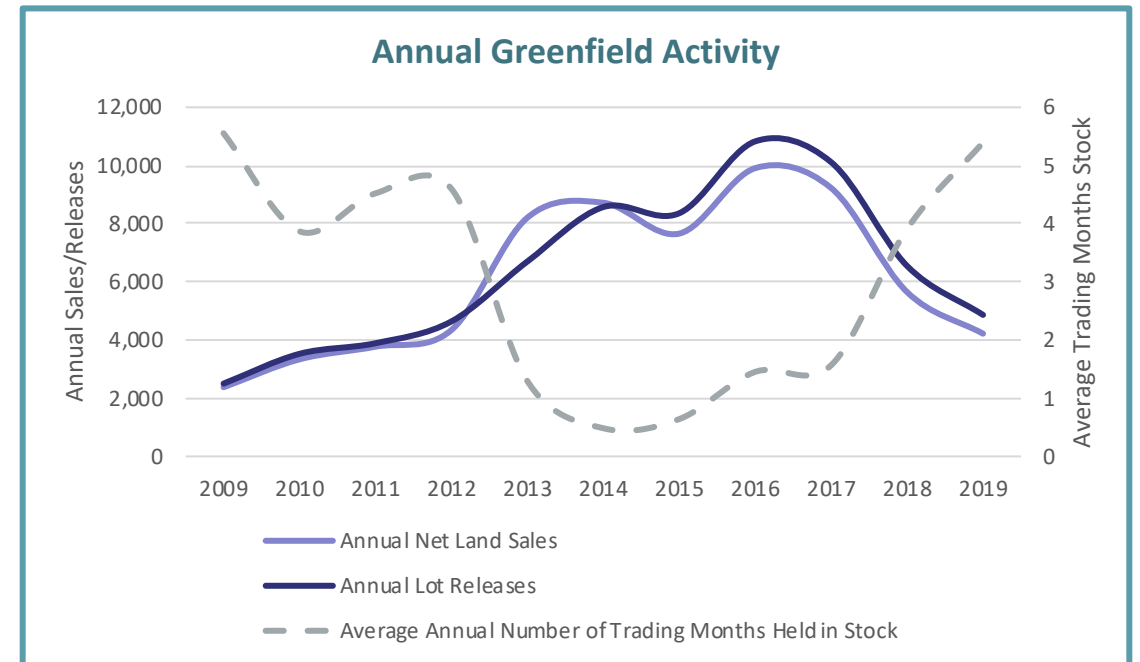
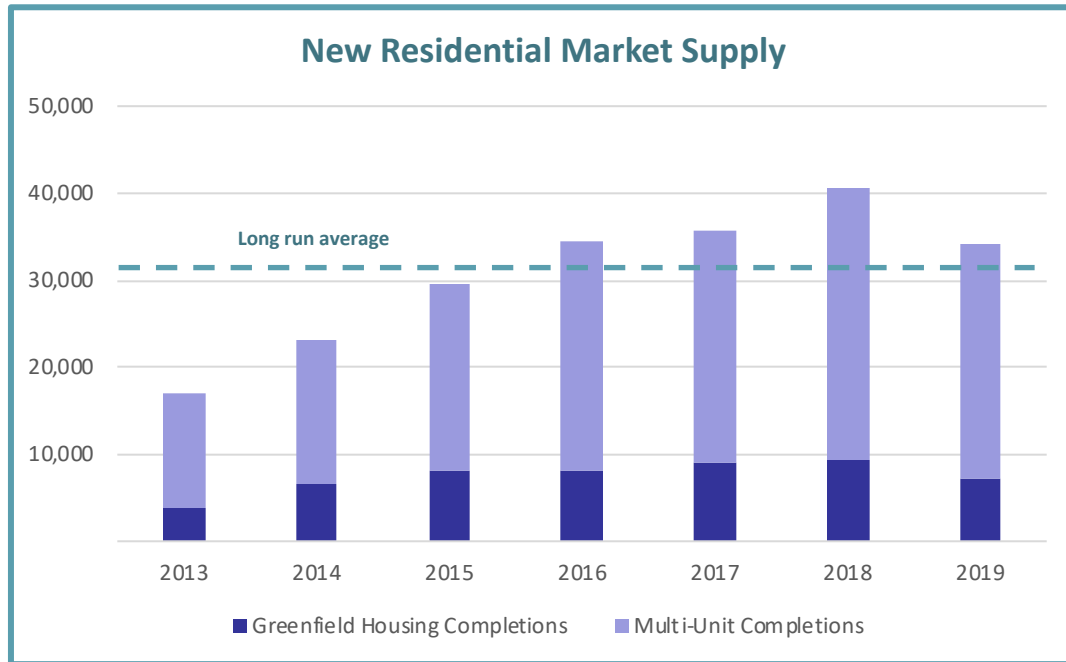
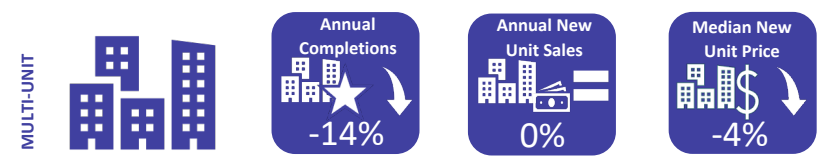
- Subdued market conditions in 2018 and the first half of 2019 have precipitated a free-fall in capital city dwelling approvals, putting doubt on whether the forward pipeline can sustain the production levels needed to keep pace with population growth.



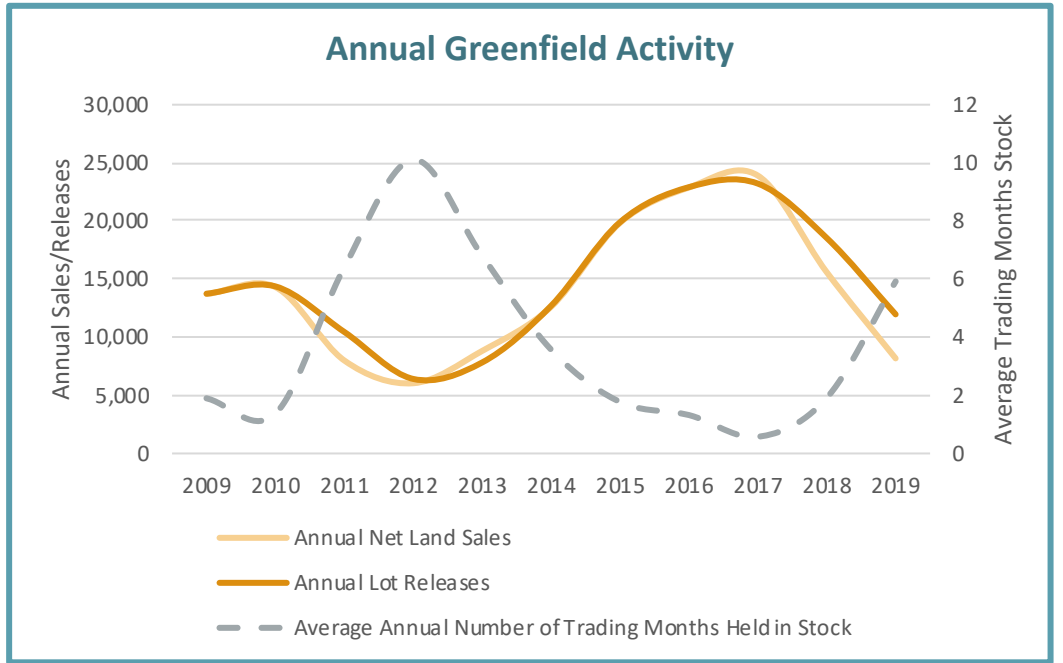
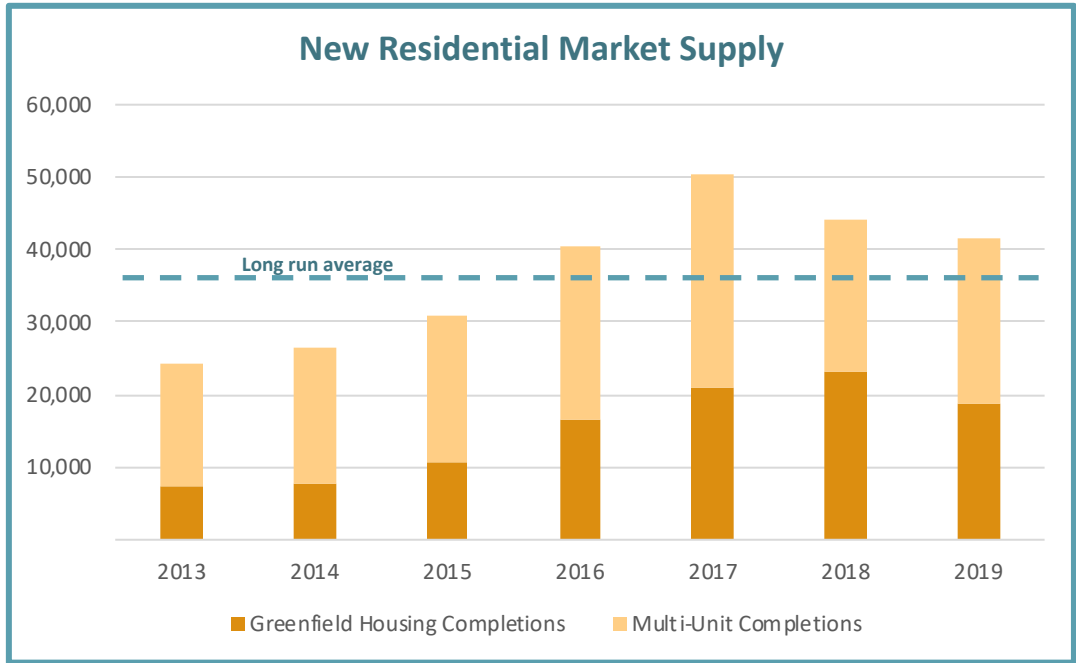
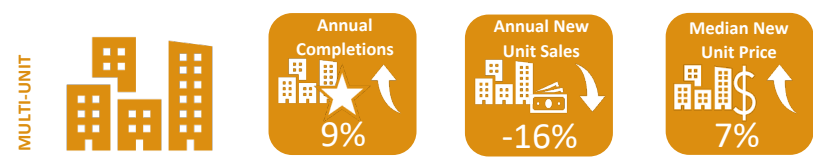


Source: UDIA; CoreLogic; Research4

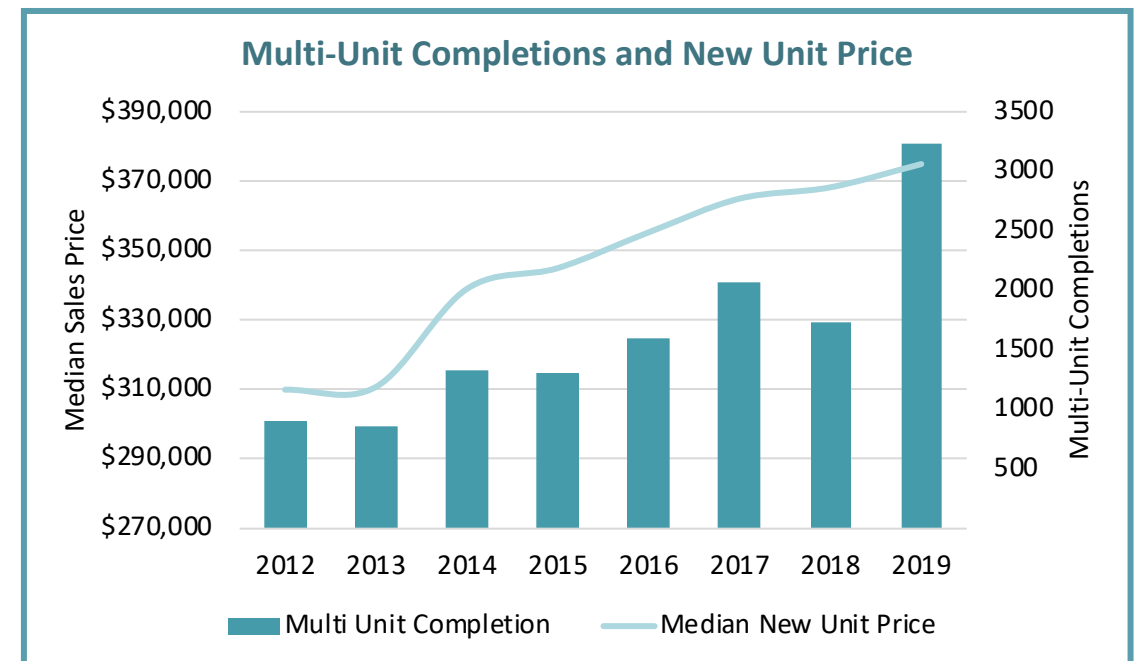
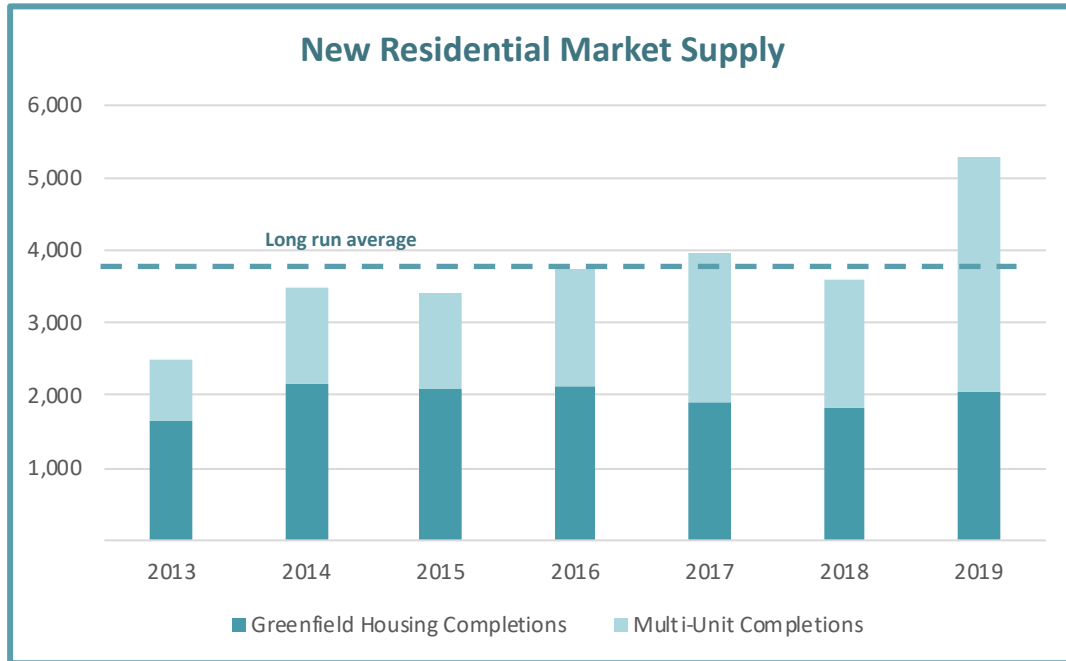
- The SEQ recorded an 7% reduction in new market production in 2019.
- Annual greenfield land sales and apartment sales (settled) contracted by 26% driven by a retreat of investors.



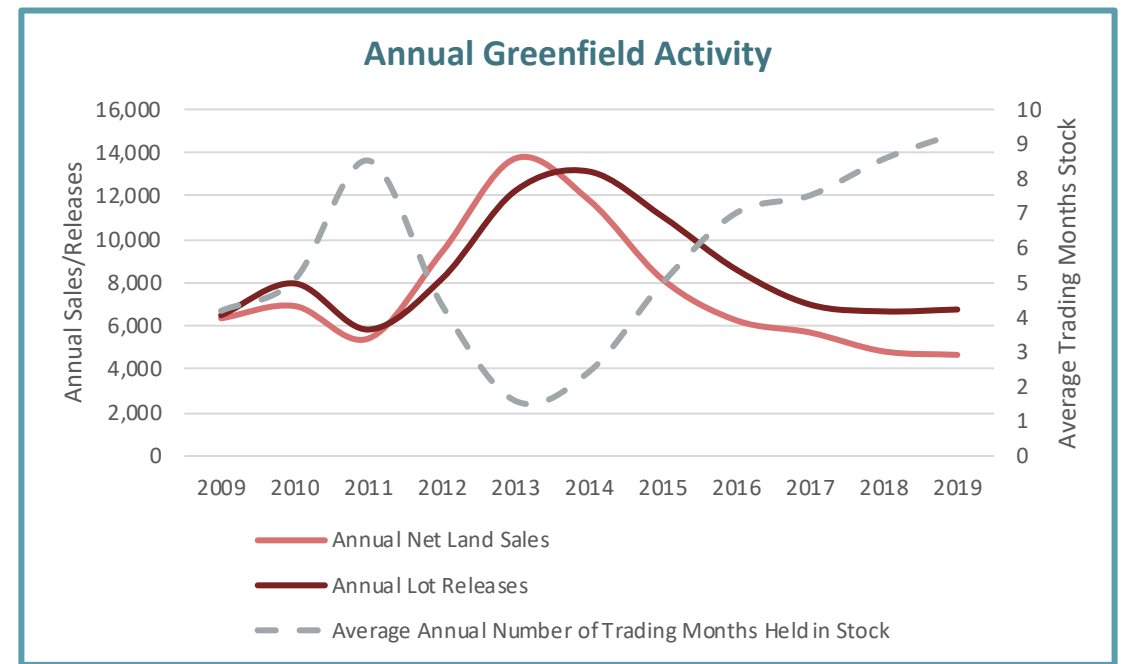
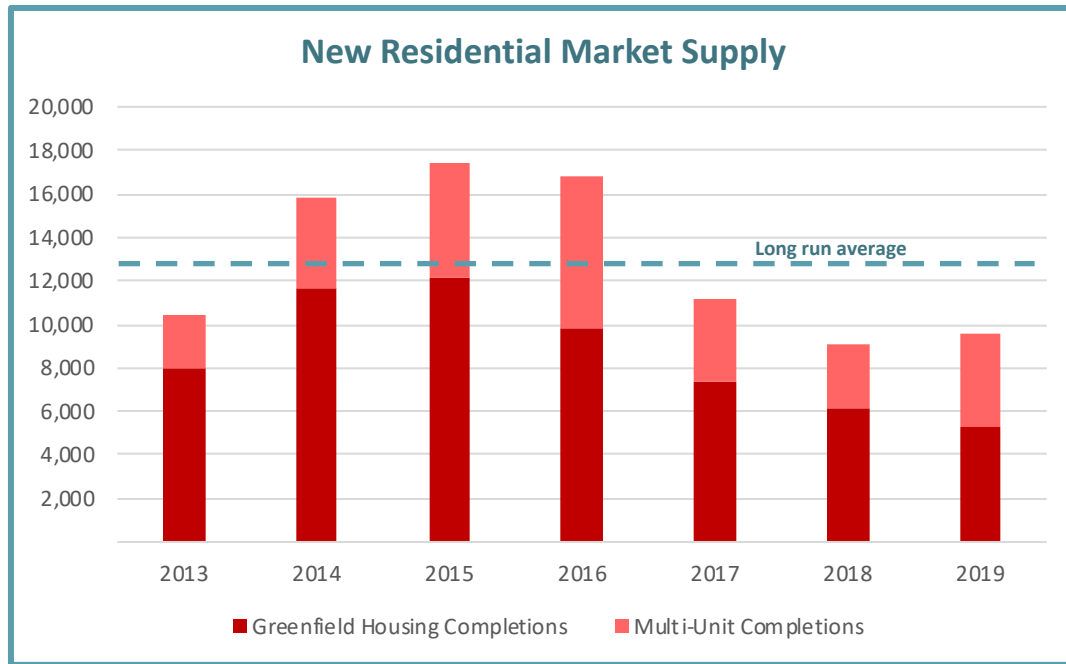
- Sydney’s new housing market experienced a roller-coaster ride in 2019, featuring a deeply challenging first half of the year followed by a more positive second half of the year.
- Annual lot sales contracted to the lowest level since 2012.



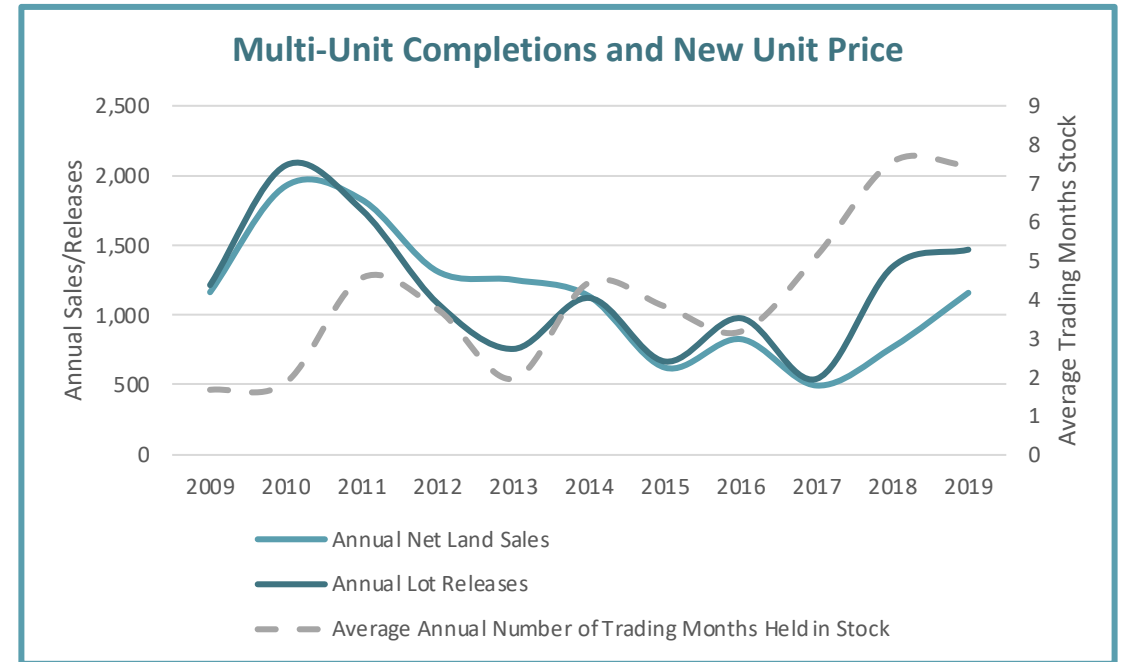
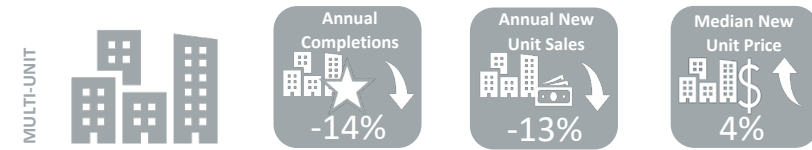
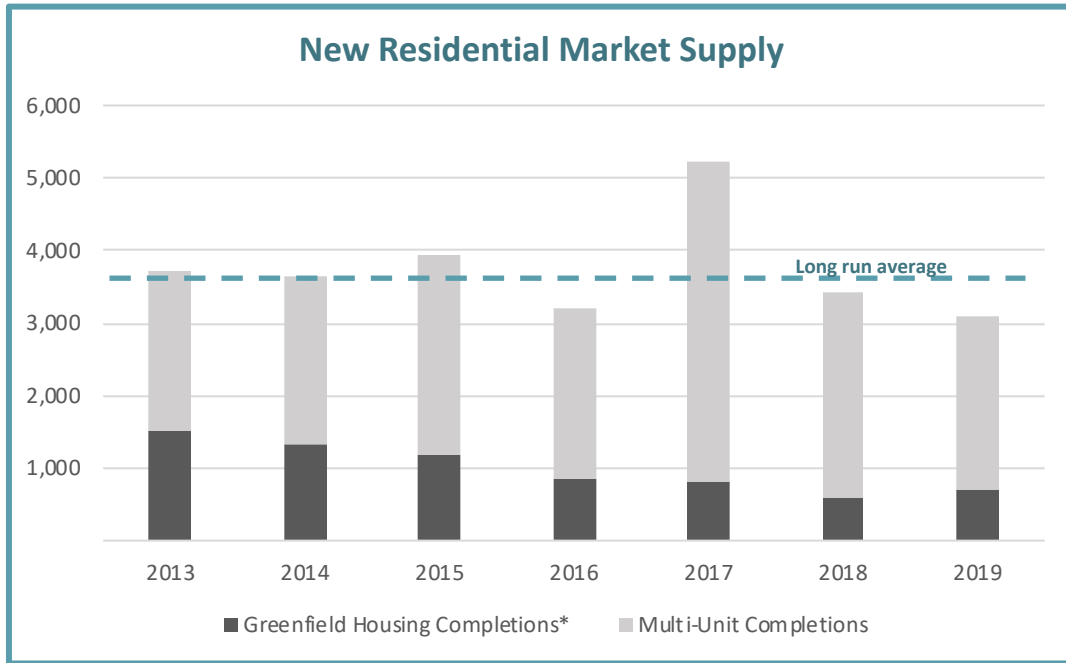
- Despite a 6% decline in annual production, Melbourne continued to provide the largest volume of new homes.
- Annual greenfield lot sales plummeted 48%, down to almost a third of the sales two years ago.



- Adelaide recorded a 50% annual increase in completed new market supply in 2019, which was driven by a significant lift in multi-unit completions.
- Combined (greenfield and multi-unit) new supply was 43% higher than the long run average.



- Perth recorded a 5% annual increase in completed new market supply in 2019, driven primarily by a lift in multi-unit completions.
- WA's economy is showing signs of recovery with a falling unemployment and increasing investment activity helping support improved industry output.



- The ACT new housing market finished the year in a robust position, despite a challenging first 6 months caused by troubles in the multi-unit sector.
- The ACT recorded low unemployment, strong jobs growth, and robust population growth.